



FETAKGOMO LOCAL MUNICIPALITY
Annual Financial Statements
for the year ended 30 June, 2010

General Information

Members of the Council

MC Marota (Mayor)
RC Phaladi(Speaker)
NS Mampuru(Chiefwhip)
MJ Matsetse(Member of Executive Committee)
KK Mamphekgo (Member of Executive Committee)
MD Phala(Member of Executive Committee)
PR Maisela(Member of Executive Committee)
MS Masemola
TN Phala
MJ Nchabeleng
RE Sefala
RL Mphishane
RM Sekgobela
TI Sekgala
MS Malungane
MG Seroka
MS Madutlela
MH Mathipa
NF Matlala
MZ Matseba
M Nchabeleng
PL Nchabeleng
MC Mabothe
KA Selepe
RE Sefala
NT Lesufi

Grading of local authority

2

Municipal Manager

Lebepe M.E

Chief Financial Officer (CFO)

Makgata MJ

Registered office

Stand no 1 Mashung
Ga-Nkoana
Apel
0739

Business address

Stand no 1 Mashung
Ga-Nkoana
Apel
0739

Postal address

PO BOX 818
Ga-Nkoana
Apel
0739

Bankers

ABSA

Auditors

Auditor General

General Information

Name of relevant Auditor:

Mukhathedzwa RS
015 299 4435
smukhthedzwa@agsa.co.za

Name of relevant Provincial Treasury:

Maluleke MT
015 291 8400
malulekemt@limtreasury.gov.za

Name of contact at National Treasury:

Thomas Matjeni
Thomas Matjeni@treasury.gov.za
012 315 5792

Index

Index	Page
Approval of annual financial statement	4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Accounting Policies	9 - 14
Notes to the Annual Financial Statements	15 - 23
Appendixes:	
Appendix A: Analysis of Property, Plant and Equipment	24
Appendix B: Segmental analysis of Property, Plant and Equipment	25
Appendix C: Segmental Statement of Financial Performance	26
Appendix D(1): Actual versus Budget (Revenue and Expenditure)	27
Appendix D(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)	28

Approval of annual financial statement

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 28, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 17 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Cooperative Governance and Traditional Affairs' determination in accordance with this Act."

Municipal Manager
Lebepe ME

31 August, 2010

Statement of Financial Position

	Note(s)	2010	2009
Assets			
Current Assets			
Inventories	6	183,768	86,696
Trade and other receivables	7	175,879	95,254
VAT receivable	8	2,955,866	784,084
Cash and cash equivalents	9	10,858,750	10,423,260
		14,174,263	11,389,294
Non-Current Assets			
Property, plant and equipment	5	41,688,037	31,161,035
Total Assets		55,862,300	42,550,329
Liabilities			
Current Liabilities			
Finance lease obligation	10	128,410	96,226
Trade and other payables	12	3,980,255	2,392,542
Unspent conditional grants and receipts	11	7,790,446	4,590,244
		11,899,111	7,079,012
Non-Current Liabilities			
Finance lease obligation	10	-	128,410
Total Liabilities		11,899,111	7,207,422
Net Assets		43,963,189	35,342,907
Net Assets			
Accumulated surplus		43,963,186	35,342,908

Statement of Financial Performance

	Note(s)	2010	2009
Revenue			
Rental of facilities and equipment		143,339	207,904
Public contributions and donations		116,000	-
Licences and permits		141,387	85,077
Government grants and Subsidies Received-Operating	14	29,408,239	22,444,880
Other Revenue		175,986	96,686
Government grants and Subsidies Received-Capital		11,229,519	2,320,627
Investment Revenue -External investments	18	718,250	1,316,964
Total Revenue		41,932,720	26,472,138
Expenditure			
Employee Related Cost	16	(15,152,489)	(11,653,081)
Remuneration of councillors	17	(5,626,115)	(5,120,650)
Depreciation and amortisation	19	(1,673,271)	(1,688,297)
Finance costs	20	(28,173)	(41,907)
Repairs and maintenance		(259,520)	(289,356)
Grants and subsidies paid	22	(836,407)	(562,902)
General Expenses	15	(9,930,483)	(8,010,710)
Total Expenditure		(33,506,458)	(27,366,903)
Gain or Loss on disposal of property,plant and equipment		98,381	-
Fair value adjustments		79,737	-
Surplus (deficit) for the year		8,604,380	(894,765)

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Balance at 30 June , 2009	36,237,673	36,237,673
Surplus for the year	(894,765)	(894,765)
Total changes	(894,765)	(894,765)
Balance at 01 July , 2009	35,358,806	35,358,806
Changes in net assets		
Surplus for the year	8,604,380	8,604,380
Total changes	8,604,380	8,604,380
Balance at 30 June, 2010	43,963,186	43,963,186

Cash Flow Statement

	Note(s)	2010	2009
Cash flows from operating activities			
Receipts			
Sale of goods and services		284,726	211,964
Grants		40,637,758	24,712,987
Interest income		718,250	1,316,964
Other receipts		304,608	230,223
		41,945,342	26,472,138
Payments			
Employee and councillors related cost		(20,778,605)	(16,737,478)
Suppliers		(8,600,595)	(6,197,049)
Finance costs		(28,173)	(41,907)
		(29,407,373)	(22,976,434)
Net cash flows from operating activities	23	12,537,969	3,495,704
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(12,134,873)	(4,217,980)
Proceeds from sale of property, plant and equipment	5	128,620	-
Net cash flows from investing activities		(12,006,253)	(4,217,980)
Cash flows from financing activities			
Finance lease payments		(96,226)	(82,491)
Net increase/(decrease) in cash and cash equivalents		435,490	(804,767)
Cash and cash equivalents at the beginning of the year		10,423,260	11,228,027
Cash and cash equivalents at the end of the year	9	10,858,750	10,423,260

Accounting Policies

1. Presentation of Annual Financial Statements

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

ISSUED BUT NOT YET EFFECTIVE	STANDARD APPLIED
GRAP 8 Interest in Joint Venture	Not Applicable
GRAP 18 Segment Reporting	Not Applicable
GRAP 21 Impairment of non-cash-generating assets	IAS 36
GRAP 23 Revenue from Non-Exchange Transactions	GAMAP 9
GRAP 24 Presentation of Budget Information in Financials	Applied(Annexures)
GRAP 25 Employee Benefits	IAS 19
GRAP 26 Impairment of cash generating assets	IAS 36
GRAP 103 Heritage Assets	Not applicable

1.1 Significant judgements and sources of estimation uncertainty

These annual financial statements have been prepared on a going concern basis.

In preparing the annual financial statements to conform with the standards of GRAP, management is required to make estimates, judgements and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future may differ from these estimates.

All significant estimates, judgements and underlying assumptions are reviewed on constant basis. All necessary revisions of significant estimates are recognised in the period during such revisions as well as in any future affected periods.

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

1.2 Property, plant and equipment

An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at cost.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

Accounting Policies

1.2 Property, plant and equipment (continued)

Where an item of property, plant and equipment was donated, is initially recognised at its fair value as at the date of acquisition.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

"Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use."

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Residual value

The residual value of an asset is determined as the estimate amount that could currently be obtained from the disposal of the asset. The residual values of assets are reviewed at each financial year end.

Depreciation

Depreciation is calculated at historical cost, using the straight-line method over the useful lives of the asset. Assets will be depreciated according to their annual depreciation rates based on the following estimated asset lives.

Item	Average useful life
Land	Indefinite
Buildings	30
Property and Equipment	15
Furniture and fixtures	7
Motor vehicles	5
Office equipment	5
IT equipment	5
Infrastructure	
• Water reservoirs and reticulation	20
• Electricity reticulation	30
• Sewerage purification and reticulation 15-20	20
Community	
• Parks and gardens	30
• Sport Fields	30
• Community Halls	30
• Libraries	30
• Recreation Facilities	30
• Cemeteries	30
Bins and containers	
•	3
Specialised vehicles	
•	15

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the

Accounting Policies

1.2 Property, plant and equipment (continued)

item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.3 Financial instruments

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as current assets.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, cash at bank and short term investments. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.4

Leases -

Leases that transfer substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Assets leased in terms of finance lease agreements are capitalised at amounts equal at the inception of the lease to the fair value of the leased property, or lower, at the present value of the minimum lease payments. Capitalised leased assets are depreciated in accordance with the accounting policy applicable to property, plant and equipment, refer to property, plant and equipment policy 1.5. The corresponding rental obligations, net of finance charges, are included in long-term borrowings. Lease finance charges are amortised to the statement of financial performance (unless they are directly attributable to qualifying assets) over the duration of the leases so as to achieve a constant rate of interest on their remaining balance of the liability.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease payments are recognised as an expense on a straight-line basis over the lease period.

Rental income derived from operating leases is recognised on a straight-line basis over the term of the lease in the statement of financial performance. Initial direct costs incurred in negotiating and arranging the operating lease are included in the carrying amount of the leased asset and recognised in the statement of financial performance on a straight-line basis over the lease term.

1.5 Inventories

The cost of inventories comprises of all costs of purchase, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Consumable stores, raw materials, work in progress, and finished goods are valued at the lower of cost and net realisable value. In

Accounting Policies

1.5 Inventories (continued)

general, the basis of determining cost is the FIFO.

Redundant and slow-moving stock are identified and written down with regard to their estimated economic or realisable values and sold by public auction. Consumables are written down with regard to age, condition and utility.

1.6 Impairment of cash-generating assets

An impairment loss is recognised in the statement of financial performance when the carrying amount of an individual asset or of a cash-generating unit exceeds its recoverable amount. If the loss relates to the reversal of a previous revaluation surplus, it is recognised in equity. Impairment losses recognised on cash-generating units are allocated on a pro rata basis, to the assets in the cash-generating unit.

Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount of the asset or cash-generating unit. Reversals of impairment losses on cash-generating units are allocated on a pro rata basis to the assets in the unit. Impairment losses are reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been recognised in the past. Reversals of impairment losses are recognised directly in the statement of financial performance.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the municipality's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.8 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Accounting Policies

1.8 Provisions and contingencies (continued)

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 24.

1.9 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

1.10 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.11 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Accounting Policies

1.12 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.13 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.14 Unauthorise Expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15 Presentation of currency

These annual financial statements are presented in South African Rand.

1.16 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

Notes to the Annual Financial Statements

	2010	2009
2. Commitments		
Authorised capital expenditure		
Commitment in respect of capital expenditure.		
• Community Assets	-	343,944
• Infrastructure	-	962,369
	-	1,306,313

Commitment in respect of other expenditure.		
• Disaster Recovery Plan(SITA)	241,584	-
• Installation of LAN(SITA)	194,098	-
	435,682	-

The above commitment will be finance from conditional grants and equitable share and for unspent conditional grant approval is awaited for roll over

3. Irregular expenditure

Add: Irregular Expenditure - current year	18,000	36,000
Less: Amounts recoverable(Not condoned)	(18,000)	(36,000)
	-	-

Details of irregular expenditure – current year

Expenditure incurred on payment of out of pocket expenses for Magoshi who sit in council meetings. The expenditure was incurred prior to council approval of the framework.	-
---	---

4. Additional disclosure in terms of Municipal Finance Management Act

Contributions to SALGA

Council membership fee payable	200,000	51,781
Amount paid - current year	(200,000)	(51,781)
	-	-

Medical Aid

Current payroll deduction	525,288	410,751
Amount paid - current year	(525,288)	(410,751)
	-	-

Audit fees

Current year audit fee	977,844	716,384
Amount paid - current year	(735,248)	(716,384)
	242,596	-

Balance unpaid included in the creditors

PAYE , SDL and UIF

Notes to the Annual Financial Statements

	2010	2009
4. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Current payroll deduction	2,984,631	1,970,275
Amount paid - current year	(2,916,464)	(1,970,275)
	68,167	-

Pension Fund

Current payroll deduction	1,839,414	1,127,573
Amount paid - current year	(1,839,414)	(1,127,573)
	-	-

Unpaid amount included in the creditors

5. Property, plant and equipment

	2010			2009		
	Cost	Accumulated depreciation	Book Value	Cost	Accumulated depreciation	Book Value
Capital work in progress	7,240,281	-	7,240,281	-	-	-
Property, plant and equipment	40,224,420	(5,776,664)	34,447,756	35,536,332	(4,375,297)	31,161,035
Total	47,464,701	(5,776,664)	41,688,037	35,536,332	(4,375,297)	31,161,035

Transitional provisions

GRAP 17

The Municipality has taken advantage of the Property, Plant and Equipment transitional provisions in terms of paragraphs .75 and .78 of Directive 4 of February 2008. The three year transitional period lapses on 30 June 2011. The municipality has appointed a service provider to unbundle the assets and this exercise will be completed in the 2010/11 financial year. For details on property, plant and equipment please refer to Appendix A

6. Inventories

Consumable stores	59,267	20,198
Printing & stationery	124,501	66,498
	183,768	86,696

Inventory is stated at lower of cost or net realisable value

7. Trade and other receivables

MPCC -Rental Debtors	111,763	61,318
Roads and Transport-Enatis	40,404	25,494
Operating Lease Assets	5,712	8,442
Other	18,000	-
	175,879	95,254

8. VAT receivable

VAT	2,955,866	784,084
-----	-----------	---------

VAT disclosed separately due to its material and VAT receivable is stated at VAT output less VAT input for the period.

Notes to the Annual Financial Statements

	2010	2009
8. VAT receivable (continued)		
VAT is accounted on a cash basis.		
9. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	674	212
Bank balances	124,242	5,336,178
Short-term investments	10,733,834	5,086,870
	10,858,750	10,423,260

Included in the short term investments are funds invested in the following retail bank ,ABSA and FNB

10. Finance lease obligation

Minimum lease payments due		
- within one year	73,180	124,399
- in second to fifth year inclusive	55,230	146,795
Present value of minimum lease payments	128,410	271,194
Present value of minimum lease payments due		
- within one year	28,173	28,173
- in second to fifth year inclusive	17,375	18,385
	45,548	46,558
Non-current liabilities	-	128,410
Current liabilities	128,410	96,226
	128,410	224,636

The Nashua liability is secured by office equipment under a deemed finance lease with a carrying value of R 110,34.62 . The effective interest rate is 15.5% and is repayable in 60 equal instalments of R5 800 of which the first was paid in July 2007. The last instalment is payable during June 2012.

The Palesa liability is secured by office equipment under a deemed finance lease with a carrying value of R94,167.41. The effective interest rate is 15.5% and is repayable in 36 equal instalments of R5 368.56 of which the first was paid in July 2007. The last instalment is payable during November 2010.

11. Unspent conditional grants and receipts

All the Unspent conditional grant were disclosed per the requirement of GRAP.

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Municipal Infrastructure Grant	7,524,418	4,233,938
Municipal System Improvement Grant	219,233	199,625
LG Seta Grant	16,474	50,419
Sekhukhune Grant	30,321	46,375
Eskom Grant	-	40,098
Municipal Finance Management Grant	-	19,789
	7,790,446	4,590,244

12. Trade and other payables

Notes to the Annual Financial Statements

	2010	2009
12. Trade and other payables (continued)		
Trade payables	493,274	128,712
Retentions	2,285,679	1,229,530
Other Payables	576	75
Staff Leave	1,200,726	1,034,225
	3,980,255	2,392,542
13. Revenue		
Rental of Facilities and Equipment	143,339	207,904
Public contributions and donations	116,000	-
Licences and permits	141,387	85,077
Government grants and Subsidies -Operating	29,408,239	22,444,880
	29,808,965	22,737,861
The amount included in revenue arising from exchanges of goods or services are as follows:		
Rental of facilities and equipment	143,339	207,904
Licences and permits	141,387	85,077
	284,726	292,981
The amount included in revenue arising from non-exchange transactions is as follows:		
Public contributions and donations	116,000	-
Government grants and subsidies	29,408,239	22,444,880
	29,524,239	22,444,880

Notes to the Annual Financial Statements

	2010	2009
14. Government grants and subsidies-Operating		
Equitable share	27,153,750	20,291,061
Finance Management Grant	1,019,789	480,211
Municipal Systems Improvement Grant	715,391	848,113
Valuation Grant	-	491,350
Sekhukhune Ward Committee Grant	424,054	281,625
LG Seta Grant	95,255	52,520
	29,408,239	22,444,880

Equitable Share

This grant is an unconditional grant and is utilised for operating costs as well as subsidising the provision of basic services to indigent community members .

Municipal Infrastructure Grant

Balance unspent at beginning of year	4,233,938	1,740,565
Current-year receipts	14,520,000	4,814,000
Conditions met - transferred to revenue	(11,229,520)	(2,320,627)
	7,524,418	4,233,938

This grant was used to construct projects approved by GOCTA. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld. funds have been withheld. (see note 11)

Municipal Systems Improvement Grant

Balance unspent at beginning of year	199,625	312,738
Current-year receipts	735,000	735,000
Conditions met - transferred to revenue	(715,392)	(848,113)
	219,233	199,625

This grant was used to build in-house capacity to perform their functions and stabilize institutional and governance systems. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld. (see note 11)

LG Seta Grant

Balance unspent at beginning of year	50,419	-
Current-year receipts	61,310	50,419
Conditions met - transferred to revenue	(95,255)	-
	16,474	50,419

The grant was utilised for learnerships. (see note 11)

Sekhukhune Ward Committee Grant

Balance unspent at beginning of year	46,375	34,000
Current-year receipts	409,500	292,500
Conditions met - transferred to revenue	(425,554)	(280,125)
	30,321	46,375

This grant was used to pay stipends for ward committee members. (see note 11)

Eskom Grant

Balance unspent at beginning of year	40,098	-
--------------------------------------	--------	---

Notes to the Annual Financial Statements

	2010	2009
14. Government grants and subsidies-Operating (continued)		
Current-year receipts	-	40,098
Conditions met - transferred to revenue	(40,098)	-
	-	40,098

This grant was used to erect the Atock Thusang Service Centre (MPCC). (see note 11)

Municipal Finance Managemet Grant

Balance unspent at beginning of year	19,789	-
Current-year receipts	1,000,000	500,000
Conditions met - transferred to revenue	(1,019,789)	(480,211)
	-	19,789

This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. (see note 11)

15. General expenses

Advertising	216,087	363,294
Auditors remuneration	977,844	716,384
Bank charges	38,228	32,479
Cleaning	276,987	11,613
Computer expenses	338,605	315,252
Consulting and professional fees	648,975	389,160
Donations	177,803	-
Insurance	138,106	128,358
IT expenses	143,189	35,025
Fleet	112,091	94,091
Magazines, books and periodicals	100	2,868
Fuel and oil	112,669	92,508
Postage and courier	1,936	3,277
Printing and stationery	250,305	460,229
Publicity	164,099	207,916
Security (Guarding of municipal property)	910,038	735,638
Subscriptions and membership fees	235,140	64,412
Telephone and fax	529,995	623,510
Training	218,205	290,989
Travel - local	716,126	658,621
Electricity	158,830	122,697
Bursary Fund	22,180	25,673
Council Functions	447,270	306,999
FMG Expenditure	521,243	145,255
Other Expenditure	2,574,432	2,184,462
	9,930,483	8,010,710

Notes to the Annual Financial Statements

	2010	2009
16. Employee related costs		
Basic	9,205,218	6,056,695
Bonus	386,423	404,342
Medical aid - entity contributions	296,356	176,009
UIF	66,742	58,063
WCA	-	65,684
SDL	133,535	56,616
Post-employment benefits - Pension - Defined contribution plan	961,557	715,185
Travel, motor car, accommodation, subsistence and other allowances	437,624	391,048
Overtime payments	10,533	12,492
Acting allowances	36,018	44,300
Transport allowance	1,110,720	1,184,232
Housing benefits and allowances	755	13,298
Group life insurance	50,210	93,902
Contribution to special leave	245,464	701,031
	12,941,155	9,972,897

Remuneration of municipal manager

Annual Remuneration	199,003	333,292
Car Allowance	46,283	92,550
Performance Bonuses	46,500	71,147
Contributions to UIF, Medical and Pension Funds	207,160	2,564
Cellphone Allowance	4,800	-
	503,746	499,553

Remuneration of chief finance officer

Annual Remuneration	205,717	174,635
Car Allowance	121,659	71,148
Performance Bonuses	-	71,148
Contributions to UIF, Medical and Pension Funds	150,252	2,201
Cellphone Allowance	7,000	-
	484,628	319,132

Corporate and human resources (corporate services)

Annual Remuneration	304,177	270,535
Car Allowance	85,187	89,887
Performance Bonuses	50,610	52,790
Contributions to UIF, Medical and Pension Funds	231,539	5,023
	671,513	418,235

Development Planning

Annual Remuneration	216,788	263,375
Car Allowance	85,888	96,752
Performance Bonuses	42,397	82,640
Contributions to UIF, Medical and Pension Funds	199,374	497
Cellphone Allowance	7,000	-
	551,447	443,264

17. Remuneration of councillors

Notes to the Annual Financial Statements

	2010	2009
17. Remuneration of councillors (continued)		
Mayor	-	521,904
Speaker	-	425,415
Executive Committee	-	870,241
Councillors	5,626,115	3,303,090
	5,626,115	5,120,650
In-kind benefits		
The Mayor, Speaker and Chiefwhip are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Mayor has a use of a Council owned vehicles and driver for official duties.		
18. Investment revenue		
Interest revenue		
Call Account	320,245	852,111
Investment Income	398,005	464,853
	718,250	1,316,964
19. Depreciation and amortisation		
Property, plant and equipment	1,673,271	1,688,297
20. Finance costs		
Finance Lease	28,173	41,907
21. Auditors' remuneration		
Fees	977,844	716,384
22. Grants and subsidies paid		
Electricity acquired from equitable share for free basic services		
Grant paid to Eskom	836,407	562,902
23. Cash generated from operations		
Surplus (deficit)	8,604,380	(894,765)
Adjustments for:		
Depreciation and amortisation	1,673,271	1,688,297
Gain on sale of assets.	(98,381)	-
Fair value adjustments	(79,737)	-
Changes in working capital:		
Inventories	(97,072)	99,751
Trade and other receivables	(80,625)	(53,705)
Trade and other payables	1,587,713	776,379
VAT	(2,171,782)	(531,177)
Unspent conditional grants and receipts	3,200,202	2,410,924
	12,537,969	3,495,704

Notes to the Annual Financial Statements

2010

2009

24. Contingencies

Contingent liabilities

A dispute by E. Baleni has been raised against the municipality to the value of R2,591,350, with regard to property valuation against the municipality. The case is currently in court.

Contingent assets

Municipality has performed VAT review for the period covered 01 October 2006 to 30 June 2010 therefore for the period 01 October 2006 to 30 June 2009 has been considered to be contingent assets since it is based on the decision of SARS to refund the amount due to the municipality. The overall possible refund amount to R 3,169,802.9.

25. Comparative figures

Certain comparative figures have been reclassified.

26. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

27. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

28. Events after the reporting date

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date are dealt with by way of a note to the financial statements:

29. Fruitless and wasteful expenditure

The expenditure has been condoned by Council in resolution 136/10

6,514

-

Appendix B: Analysis of property, plant and equipment

APPENDIX B for the period ended 30 June, 2010
June 2010[illegible]

APPENDIX B for the period ended 30 June, 2010
June 2010[illegible]

Supplementary information

Appendix C: Segmental analysis of property, plant and equipment

FETAKGOMO LOCAL MUNICIPALITY

APPENDIX C for the period ended 30 June, 2010
June 2010

GOVERNMENT TEMPLATE: SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2006
Cost/Revaluation **Accumulated Depreciation**

	Opening Balance Rand	Additions Rand	Under Construction Rand	Disposals Rand	Closing Balance Rand	Opening Balance Rand	Additions Rand	Disposals Rand	Closing Balance Rand	Carrying Value Rand
Executive & Council	-	-	-	-	-	-	-	-	-	-
Finance & Admin	-	-	-	-	-	-	-	-	-	-
Planning & Development	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Community & Social Services	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Sport & Recreation	-	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-
Road Transport	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

Supplementary information

Appendix D: Segmental Statement of Financial Performance

APPENDIX D for the period ended 30 June, 2010
June 2010[illegible]Page 29

Supplementary information

Appendix E(1): Actual versus Budget (Revenue and Expenditure)

FETAKGOMO LOCAL MUNICIPALITY

APPENDIX E(1) for the ended 30 June, 2010
June 2010

Monthly

	Current year 2009 Act. Bal. R'000	Current year 2009 Act. Bal. R'000	Prior Year # 1 2008 Act. Bal. R'000	Current year 2009 Act. Bal. R'000	Prior Year # 1 2008 Act. Bal. R'000	Current year 2009 Act. Bal. R'000	Prior Year # 1 2008 Act. Bal. R'000	Current year 2009 Act. Bal. R'000	Prior Year # 1 2008 Act. Bal. R'000	Current year 2009 Act. Bal. R'000	Prior Year # 1 2008 Act. Bal. R'000	Current year 2009 Act. Bal. R'000
Revenue												
Property rates	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties imposed and collection charges	-	-	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-	-	-
RSC Levies 1	-	-	-	-	-	-	-	-	-	-	-	-
RSC Levies 2	-	-	-	-	-	-	-	-	-	-	-	-
RSC Levies 3	-	-	-	-	-	-	-	-	-	-	-	-
RSC Levies 4	-	-	-	-	-	-	-	-	-	-	-	-
RSC Levies 5	-	-	-	-	-	-	-	-	-	-	-	-
RSC Levies 6	-	-	-	-	-	-	-	-	-	-	-	-
RSC Levies 7	-	-	-	-	-	-	-	-	-	-	-	-
RSC Levies 8	-	-	-	-	-	-	-	-	-	-	-	-
RSC Levies 9	-	-	-	-	-	-	-	-	-	-	-	-
RSC Levies 10	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Interest received 1	-	-	-	-	-	-	-	-	-	-	-	-
Interest received 2	-	-	-	-	-	-	-	-	-	-	-	-
Interest received 3	-	-	-	-	-	-	-	-	-	-	-	-
Interest received 4	-	-	-	-	-	-	-	-	-	-	-	-
Interest received 5	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-
Sales of housing	-	-	-	-	-	-	-	-	-	-	-	-
Income from agency services	-	-	-	-	-	-	-	-	-	-	-	-
Government grants & subsidies	-	-	-	-	-	-	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Revenue UD1	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Revenue UD2	-	-	-	-	-	-	-	-	-	-	-	-
Revenue 2	-	-	-	-	-	-	-	-	-	-	-	-
Trading and general (Filtered)	-	-	-	-	-	-	-	-	-	-	-	-
Farming only (Filtered)	-	-	-	-	-	-	-	-	-	-	-	-
Trading and general (Filtered)	-	-	-	-	-	-	-	-	-	-	-	-
Farming only (Filtered)	-	-	-	-	-	-	-	-	-	-	-	-
Construction contracts	-	-	-	-	-	-	-	-	-	-	-	-
Royalty income	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous other revenue	-	-	-	-	-	-	-	-	-	-	-	-
Revenue 1	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-

Other income

FETAKGOMO LOCAL MUNICIPALITY

APPENDIX E(1) for the ended 30 June, 2010
June 2010

Monthly

	Current year	Current year	Prior Year #	Current year	Prior Year #	Current year	Prior Year #	Current year	Prior Year #	Current year	Prior Year #	Current year
	2009	2009	1 2008	2009	1 2008	2009	1 2008	2009	1 2008	2009	1 2008	2009
	Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-
Interest received - investment	-	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Investment in controlled entities	-	-	-	-	-	-	-	-	-	-	-	-
Investments in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-
Investments in associates	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Other asset 1	-	-	-	-	-	-	-	-	-	-	-	-
Other asset 2	-	-	-	-	-	-	-	-	-	-	-	-
Other asset 3	-	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Profit and loss on exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
Gains or losses on biological assets and agricultural produce (Filtered)	-	-	-	-	-	-	-	-	-	-	-	-
Gains or losses on biological assets and agricultural produce	-	-	-	-	-	-	-	-	-	-	-	-
Income from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Expenses												
Employee related costs	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	-
Collection costs	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Amortisation	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Services	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid	-	-	-	-	-	-	-	-	-	-	-	-
Cost of housing sold	-	-	-	-	-	-	-	-	-	-	-	-
General expenses	-	-	-	-	-	-	-	-	-	-	-	-
Employee related costs	-	-	-	-	-	-	-	-	-	-	-	-
Farming only	-	-	-	-	-	-	-	-	-	-	-	-
Gain or loss on exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-	-	-	-	-

FETAKGOMO LOCAL MUNICIPALITY

APPENDIX E(1) for the ended 30 June, 2010
June 2010

Monthly

	Current year 2009 Act. Bal.	Current year 2009 Act. Bal.	Prior Year # 1 2008 Act. Bal.	Current year 2009 Act. Bal.	Prior Year # 1 2008 Act. Bal.	Current year 2009 Act. Bal.	Prior Year # 1 2008 Act. Bal.	Current year 2009 Act. Bal.	Prior Year # 1 2008 Act. Bal.	Current year 2009 Act. Bal.	Prior Year # 1 2008 Act. Bal.	Current year 2009 Act. Bal.
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Investment in controlled entities	-	-	-	-	-	-	-	-	-	-	-	-
Investments in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-
Investments in associates	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Other asset 1	-	-	-	-	-	-	-	-	-	-	-	-
Other asset 2	-	-	-	-	-	-	-	-	-	-	-	-
Other asset 3	-	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Fair value adjustments	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue and costs												
Restructuring	-	-	-	-	-	-	-	-	-	-	-	-
Gains or losses on biological assets and agricultural produce	-	-	-	-	-	-	-	-	-	-	-	-
Income from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	-
Profit and loss on sale of non-current assets held for sale and net assets of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Net surplus/ (deficit) for the year	-	-	-	-	-	-	-	-	-	-	-	-

Supplementary information

Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)

FETAKGOMO LOCAL MUNICIPALITY

APPENDIX E(2) for the period ended 30 June, 2010
June 2010

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2010

	Additions	Under Construction	Closing Balance	Budget	Variance	Variance	Explanation of Significant Variances greater than 5% versus Budget
	Rand	Rand	Rand	Rand	Rand	%	
Land/ Heritage							
Historical Buildings	-	-	-	-	-	-	(Explanations to be recorded)
Painting & Art Galleries	-	-	-	-	-	-	
	-	-	-	-	-	-	-
Buildings							
Land	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	
	-	-	-	-	-	-	-
Leasehold property							
Sewerage Mains & Purify	-	-	-	-	-	-	
	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-
IT equipment	-	-	-	-	-	-	-
Computer software	-	-	-	-	-	-	-
Housing Develop Fund							
Housing Rental 1	-	-	-	-	-	-	
Housing Rental 2	-	-	-	-	-	-	
	-	-	-	-	-	-	-
Infrastructure							
Drains	-	-	-	-	-	-	
Roads	-	-	-	-	-	-	
Beach Improvements	-	-	-	-	-	-	
Sewerage Mains & Purif	-	-	-	-	-	-	
Electricity Mains	-	-	-	-	-	-	
Electricity Peak Load Equip	-	-	-	-	-	-	
Water Mains & Purification	-	-	-	-	-	-	
Reservoirs – Water	-	-	-	-	-	-	
Water Meters	-	-	-	-	-	-	
Water Mains	-	-	-	-	-	-	
	-	-	-	-	-	-	-

FETAKGOMO LOCAL MUNICIPALITY

APPENDIX E(2) for the period ended 30 June, 2010
June 2010

	Additions	Under Construction	Closing Balance	Budget	Variance	Variance	Explanation of Significant Variances greater than 5% versus Budget
	Rand	Rand	Rand	Rand	Rand	%	
Community							
Parks & Gardens	-	-	-	-	-	-	
Libraries	-	-	-	-	-	-	
Recreation Grounds	-	-	-	-	-	-	
Civic Buildings	-	-	-	-	-	-	
	-	-	-	-	-	-	-
Other property, plant and equipment							
Landfill sites	-	-	-	-	-	-	
Office Equipment	-	-	-	-	-	-	
Furniture & Fittings	-	-	-	-	-	-	
Bins and Containers	-	-	-	-	-	-	
Emergency Equipment	-	-	-	-	-	-	
Motor vehicles	-	-	-	-	-	-	
Fire engines	-	-	-	-	-	-	
Refuse tankers	-	-	-	-	-	-	
Computer equipment	-	-	-	-	-	-	
Councillors Regalia	-	-	-	-	-	-	
Conservancy tankers	-	-	-	-	-	-	
Watercraft	-	-	-	-	-	-	
Land	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	
	-	-	-	-	-	-	-
Total							
Buildings	-	-	-	-	-	-	
Leasehold property	-	-	-	-	-	-	
Plant and machinery	-	-	-	-	-	-	
Furniture and fixtures	-	-	-	-	-	-	
Motor vehicles	-	-	-	-	-	-	
Office equipment	-	-	-	-	-	-	
IT equipment	-	-	-	-	-	-	
Computer software	-	-	-	-	-	-	
Housing Develop Fund	-	-	-	-	-	-	
Infrastructure	-	-	-	-	-	-	
Community	-	-	-	-	-	-	
Other property, plant and equipment	-	-	-	-	-	-	
	-	-	-	-	-	-	-

APPENDIX A
ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2010

	HISTORICAL COST					ACCUMULATED DEPRECIATION				Carrying Value
	Opening Balance	Additions/Transfers	Under Construction	Disposals	Closing Balance	Opening Balance	Additions/Transfers	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	
LAND		116,000			116,000					116,000
BUILDINGS	10 379 536	62 760	1 751 283		12 193 579	927 626	375 514		1 303 139	10 890 440
INFRASTRUCTURE	1 148 262	2 600 646	3 882 763	-	7 631 671	23 716	7 902	-	31 618	7 600 053
Roads, pavements, bridges & stormwater	19 036		1 848 965		1 868 001	5 716	951		6 667	1 861 334
Water reservoirs & reticulation	18 000	29 700			47 700	18 000	134		18 134	29 566
Landfill site structure		2 294 541			2 294 541		2 932		2 932	2 291 609
Electricity reticulation	1 111 226	-	2 033 798		3 145 024	-	-		-	3 145 024
Security measures (including fencing)		276 405			276 405		3 885		3 885	272 520
COMMUNITY ASSETS	18 725 175	967 862	1 606 235	-	21 299 272	1 147 324	630 339	-	1 777 663	19 521 610
Community halls	18 564 668	940 932	1 066 887		20 572 487	1 144 688	623 300		1 767 988	18 804 500
Land					-				-	-
Libraries					-				-	-
Recreational facilities			539 348		539 348				-	539 348
Clinics					-				-	-
Museums & art galleries					-				-	-
Other (fire services & canteen)	160 507	26 930			187 437	2 636	7 039		9 675	177 762
OTHER ASSETS	4 920 031	1 242 964	-	(302 143)	5 860 852	2 166 852	610 479	(271 903)	2 505 428	3 355 424
Other motor vehicles	1 126 226	800 565		(206 159)	1 720 632	787 366	16 411	(177 742)	626 035	1 094 597
Plant & Office equipment	1 015 341	260 084		(60 693)	1 214 732	586 003	166 779	(59 589)	693 193	521 539
Furniture & fittings	2 729 284	182 315		(35 291)	2 876 308	788 093	424 013	(34 572)	1 177 535	1 698 773
Bins and containers	49 180				49 180	5 390	3 276		8 666	40 514
FINANCE LEASE	363 330	-	-	-	363 330	109 780	49 037	-	158 817	204 513
Office Equipment	363 330				363 330	109 780	49 037		158 817	204 513
TOTAL	35 536 334	4 990 232	7 240 280	(302 143)	47 464 704	4 375 297	1 673 271	(271 903)	5 776 664	41 688 040

APPENDIX B
SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2010

	HISTORICAL COST					ACCUMULATED DEPRECIATION				Carrying Value
	Opening Balance	Additions/Transfers	Under Construction	Disposals	Closing Balance	Opening Balance	Additions/Transfers	Disposals	Closing Balance	
	R	R		R	R	R	R	R	R	R
EXECUTIVE COUNCIL	4 673 723	1 004 997	-	(302 143)	5 376 577 #	1 968 196	547 574	(271 903)	2 243 866	3 132 711
Corporate Service	4 334 886	994 661	-	(252 941)	5 076 606	1 785 168	507 973	(223 687)	2 069 454	3 007 151
Municipal Manager Office	338 837	10 336	-	(49 202)	299 972	183 028	39 601	(48 217)	174 412	125 559
FINANCE & ADMINISTRATION	302 469	88 239	-	-	390 708 #	166 911	54 350	-	221 261	169 448
Finance	302 469	88 239			390 708	166 911	54 350		221 261	169 448
PLANNING & DEVELOPMENT	30 560 141	3 896 995	7 240 281	-	41 697 418 #	2 240 191	1 071 347	-	3 311 537	38 385 880
Planning & development	30 560 141	3 896 995	7 240 281		41 697 418	2 240 191	1 071 347		3 311 537	38 385 880
TOTAL	35 536 334	4 990 232	7 240 281	(302 143)	47 464 704 #	4 375 297	1 673 271	(271 903)	5 776 665	41 688 039

APPENDIX C
DETAILED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010

2009 Actual Income	2009 Actual Expenditure	2009 Actual Surplus/ (Deficit)		2010 Actual Income	2010 Actual Expenditure	2010 Actual Surplus/ (Deficit)
R	R	R		R	R	R
26 610 041	18 744 288	7 865 753	EXECUTIVE COUNCIL	41 902 481	22 534 561	19 367 920
26 472 139	16 539 959	9 932 180	Corporate Service	41 902 481	20 296 540	21 605 941
	2 204 329	(2 204 329)	Municipal Manager Office	-	2 238 021	(2 238 021)
-	4 328 215	(4 328 215)	FINANCE & ADMINISTRATION	-	5 563 425	(5 563 425)
-	4 328 215	(4 328 215)	Finance	-	5 563 425	(5 563 425)
	4 294 401	(4 294 401)	PLANNING & DEVELOPMENT		5 408 469	(5 408 469)
-	4 294 401	(4 294 401)	Planning & development	-	5 408 469	(5 408 469)
26 472 139	27 366 904	(894 765)	Total	41 902 481	33 506 455	8 396 026

APPENDIX D (1)
ACTUAL OPERATING VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2010

APPENDIX D (1)
ACTUAL OPERATING VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2010

	2010 Actual R	2010 Budget R	2010 Variance R	2010 Variance %	Explanations of significant variances greater than 10% versus budget
REVENUE					
Rental of facilities and equipment	143 339	174 500	(31 161)	(17.86)	Over budgeting
Public contributions and donations	116 000	0	116 000	100.00	Due to recognition of asset donated as revenue
Investment Revenue – external investments	718 250	700 000	18 250	2.61	
Licenses and permits	141 387	140 000	1 387	0.99	
Government grants and subsidies received - operating	29 408 239	29 608 289	(200 050)	(0.68)	
Government grants and subsidies received - capital	11 229 519	15 366 727	(4 137 208)	(26.92)	Underspending of capital budget
Other revenue	145 747	315 397	(169 650)	(53.79)	Under collection
Total Revenue	41 902 481	46 304 913	(4 402 432)	(9.51)	
	2010 Actual R	2010 Budget R	2010 Variance R	2010 Variance %	Explanations of significant variances greater than 10% versus budget
EXPENDITURE					
Employee related costs	15 152 489	15 096 699	55 790	0.37	
Remuneration of councillors	5 626 115	5 778 357	(152 242)	(2.63)	
Depreciation	1 673 271	1 500 000	173 271	11.55	
Repairs and maintenance	259 520	297 489	(37 969)	(12.76)	Underspending
General expenses	9 930 483	11 782 980	(1 852 497)	(15.72)	Underspending
Grants and subsidies paid	836 407	847 600	(11 193)	(1.32)	
Finance cost	28 173	0	28 173	100.00	Recognition of finance leases at year end
Total Expenditure	33 506 458	35 303 125	(1 796 667)	(5.09)	
Loss on disposal of property, plant & equipment	128 620		128 620	100.00	Asset disposed
Fair value adjustments	79 737		79 737	100.00	Revenue adjustment due to asset gained
NET SURPLUS/(DEFICIT) FOR THE YEAR	8 604 380	11 001 788	(2 605 765)	(23.68)	

APPENDIX D(2)
ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2010

	<u>2009</u> <u>Actual</u>	<u>2009</u> <u>Under</u> <u>Construction</u>	<u>2010</u>	<u>2009</u> <u>Revaluation</u>	<u>2009</u> <u>Total</u> <u>Additions</u>	<u>2010</u>	<u>2009</u> <u>Budget</u>	<u>2010</u>	<u>2009</u> <u>Variance</u>	<u>2010</u>	<u>2009</u> <u>Variance</u>	<u>Explanation of Significant Variances</u> <u>greater than 5% versus Budget</u>
	R	R			R		R		R		%	
Land	116 000				116 000				(145 466)		-52.9	Land donated to the Municipality
Buildings	62 760	1 751 283			1 814 043		275 000		(145 466)		-52.9	Savings on completed projects
Infrastructure	2 600 646	3,882,763.00			6 483 409		2 000 300		(694 444)		-34.72	Assets under construction
Community Assets	967 862	1 606 235			2 574 097		1 804 000		(497 154)		-27.56	Assets under construction
Other Assets	1 242 964	-		-	1 242 964		1 661 000		(185 254)		-11.15	Underpending on movable assets
TOTAL	4 990 232	-	7 240 281	-	12 230 513	-	5 740 300	-	(1 667 784)	-	-29	